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DE RUEHAM #2242 2800945 ZNR UUUUU ZZH R 070945Z OCT 09 FM AMEMBASSY AMMAN TO RUEHC/SECSTATE WASHDC 6069 INFO RUEHGB/AMEMBASSY BAGHDAD 6297 RUEHLB/AMEMBASSY BEIRUT 3105 RUEHEG/AMEMBASSY CAIRO 4152 RUEHDM/AMEMBASSY DAMASCUS 4250 RUEHRH/AMEMBASSY RIYADH 2213 RUEHTV/AMEMBASSY TEL AVIV 1888 RUEHJI/AMCONSUL JEDDAH 0913 RUEHJM/AMCONSUL JERUSALEM 5663 RUCPDOC/DEPT OF COMMERCE WASHDC RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS AMMAN 002242

SIPDIS SENSITIVE

STATE FOR EEB AND NEA/ELA STATE PLEASE PASS TO USTR (SFRANCESKI)

E.O. 12958: N/A TAGS: ETRD ECON JO

SUBJECT: JORDAN DENIES REPORT OF MASSIVE FLIGHT OF QIZ FACTORIES TO

EGYPT

Refs: A)Amman 1177 B) Amman 226

(SBU) Jordan's Ministry of Industry and Trade (MOIT) denied press reports in the Al-Sabeel daily newspaper on October 3 that 25 Qualifying Industrial Zone (QIZ) factories in the Sahab area of southern Amman municipality were to imminently transfer to Egypt. Contacts within Al-Tajamouat, the private company that owns the QIZ in Sahab, also denied the press reports of the mass exodus. The Sahab QIZ did have 12 factories close or move during 2008 and 2009. The QIZ management asserts that they are aware of two factories that are considering downsizing or moving their operations to Egypt in the near future. Post will continue to follow the issue closely.

BEECROFT